

Consolidated Financial Results

First Half of the Fiscal Year Ending March 31, 2024

(April 1, 2023 - September 30, 2023)

November 8, 2023

DAIFUKU CO., LTD.



Contents



02 Financial Highlights

15 Earnings Forecast

18 Topics

[Back to contents](#)

Financial Highlights



Fiscal 2023 H1 Highlights (April 1, 2023 – September 30, 2023)

(Billion yen)

	FY2022 H1	Revised on August 8, 2023	FY2023 H1	Y/Y change	Y/Y rate
Orders	400.1	315.0	294.3	-105.8	-26.4%
Sales	277.7	280.0	281.2	+3.4	+1.3%
Operating income	24.4	21.5	19.0	-5.4	-22.1%
Operating margin	8.8%	7.7%	6.8%	-2 pts.	—
Ordinary income	24.8	22.5	20.8	-4.0	-16.3%
Net income attributable to shareholders of the parent company	17.0	16.5	14.2	-2.8	-16.5%
Comprehensive income	34.4	—	27.0	-7.3	-21.5%
Net income per share*	45.00 yen	43.64 yen	37.69 yen	-7.31 yen	—

✓ Orders declined, given a reactionary fall in cleanroom systems, which were orders received ahead of schedule in the previous fiscal year.

✓ Income reflected decreased sales of intralogistics systems and soaring raw material and labor costs.

[Effect of exchange rate changes]

Orders: -¥6.0 billion

Orders received during the period: ¥10.8 billion
Increase from the balance of order backlog at the end of the previous fiscal year: -¥16.9 billion

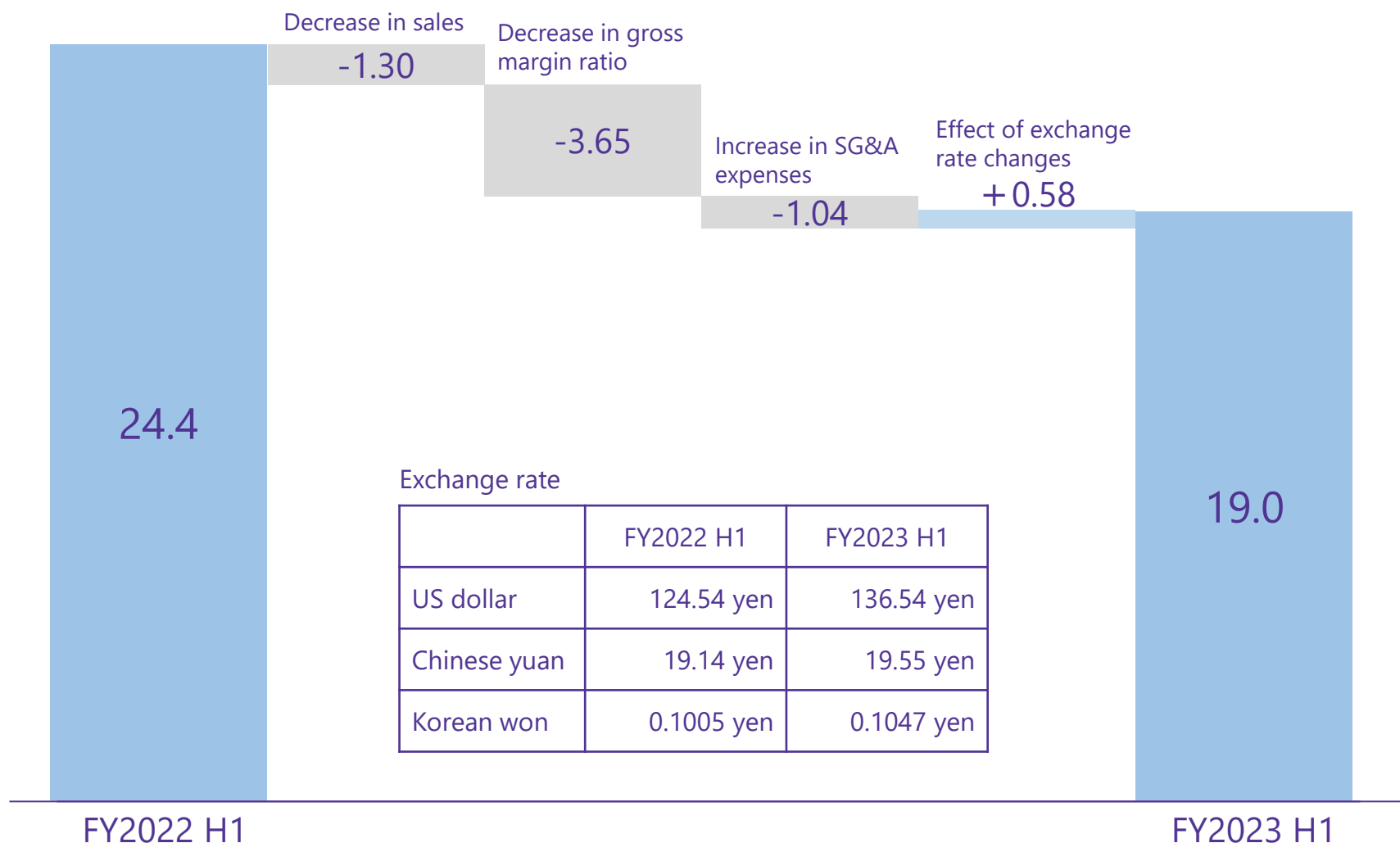
Sales: +¥10.8 billion

Operating income: +¥0.5 billion

*The Company conducted a three-for-one split of its common stock effective April 1, 2023. Net income per share is calculated assuming that the stock split was conducted at the beginning of the fiscal year ended March 2023.

Increase/Decrease in Operating Income

(Billion yen)



Exchange rate

	FY2022 H1	FY2023 H1
US dollar	124.54 yen	136.54 yen
Chinese yuan	19.14 yen	19.55 yen
Korean won	0.1005 yen	0.1047 yen

✓ Decrease in sales
Sales increased by ¥3.4 billion; however, deducting ¥10.8 billion in increased sales due to exchange rate fluctuations, sales would have decreased in real terms.

Results by Reportable Segment (April 1, 2023 – September 30, 2023)

(Billion yen)

	Orders (Orders from external customers)			Net sales (Sales to external customers)			Segment income (Net income attributable to shareholders of the parent company)		
	FY2022 H1	FY2023 H1	Y/Y change	FY2022 H1	FY2023 H1	Y/Y change	FY2022 H1	FY2023 H1	Y/Y change
Daifuku	166.9	102.3	-64.5	119.5	103.3	-16.1	12.3	12.5	+0.2
Contec	10.8	10.9	+0.0	8.2	8.9	+0.6	0.3	0.5	+0.1
Daifuku North America	95.7	90.5	-5.2	73.0	88.0	+15.0	3.9	5.2	+1.2
Clean Factomation	37.0	12.2	-24.8	17.0	14.6	-2.4	1.2	0.7	-0.5
Other	89.4	78.2	-11.1	59.1	65.1	+5.9	1.9	-0.0	-2.0
Elimination of dividends from affiliates	—	—	—	—	—	—	-2.6	-4.5	-1.8
Other adjustments for consolidation	—	—	—	0.6	1.1	+0.4	-0.1	-0.2	-0.0
Total	400.1	294.3	-105.8	277.7	281.2	+3.4	17.0	14.2	-2.8

✓ Daifuku:
Orders for intralogistics systems and cleanroom systems declined from the strong results recorded in the same period the previous fiscal year.
Sales of intralogistics systems and cleanroom systems decreased.

✓ Daifuku North America:
Sales were driven by automotive systems and airport systems.
Segment income was driven by intralogistics systems and automotive systems.

✓ Clean Factomation:
Orders fell significantly from the year-ago results, which were bolstered by brisk investment from semiconductor manufacturers.

Consolidated Balance Sheets

(Billion yen)

	March 31, 2023	September 30, 2023	Change
Current assets	433.1	483.5	+50.3
Cash on hand and in banks	102.7	129.3	+26.6
Notes and accounts receivable	250.0	259.8	+9.8
Inventories	66.0	75.4	+9.4
Other	14.2	18.8	+4.5
Non-current assets	118.4	138.1	+19.7
Property, plant and equipment	65.0	72.3	+7.2
Intangible assets	11.4	11.2	-0.1
Goodwill	3.8	3.7	-0.0
Other	7.6	7.5	-0.1
Investments and other assets	41.9	54.5	+12.6
Total assets	551.5	621.6	+70.1

	March 31, 2023	September 30, 2023	Change
Current liabilities	202.8	211.8	+9.0
Notes and accounts payable	94.0	79.8	-14.2
Short-term borrowings	10.3	11.0	+0.7
Other	98.3	120.9	+22.5
Non-current liabilities	16.4	78.4	+62.0
Convertible bonds	—	61.1	+61.1
Long-term borrowings	1.1	1.1	—
Other	15.3	16.1	+0.8
Total Liabilities	219.2	290.2	+71.0
Shareholders' equity	308.2	294.4	-13.7
Common stock	31.8	31.8	—
Retained earnings	256.8	262.2	+5.3
Other	19.4	0.3	-19.1
Accumulated other comprehensive income	23.7	36.5	+12.7
Non-controlling interests	0.2	0.3	+0.0
Total net assets	332.3	331.3	-0.9
Total liabilities and net assets	551.5	621.6	+70.1

✓ Total assets: Increased ¥70.1 billion
[Factors]
Increase: ¥26.6 billion in cash on hand and in banks, ¥9.8 billion in notes and accounts receivables, ¥19.7 billion in non-current assets

✓ Liabilities: Increased ¥71.0 billion
[Factors]
Increase: ¥61.1 billion in convertible bonds, ¥21.7 billion in contract liabilities
Decrease: -¥14.2 billion in notes and accounts payable

✓ Net assets: Decreased ¥0.9 billion
[Factors]
Increase: ¥10.8 billion in foreign currency translation adjustments, ¥5.3 billion in retained earnings
Decrease: -¥19.1 billion in purchase of treasury stock

Consolidated Statements of Cash Flows

(Billion yen)

	FY2022 H1	FY2023 H1	Y/Y change
Cash flows from operating activities	-18.5	1.4	+19.9
Cash flows from investing activities	-5.7	-12.2	-6.5
Free cash flows	-24.2	-10.8	+13.4
Cash flows from financing activities	-19.0	32.3	+51.4
Effect of exchange rate change on cash and cash equivalents	8.8	5.0	-3.7
Net increase in cash and cash equivalents	-34.5	26.5	+61.0
Cash and cash equivalents at beginning of period	118.6	102.3	-16.2
Cash and cash equivalents at end of period	84.1	128.8	+44.7

✓ Cash provided by operating activities: ¥1.4 billion
 [Factors]
 Income before income taxes: ¥20.3 billion
 Increased in contract liabilities: ¥18.2 billion
 Increased in inventories: -¥7.5 billion
 Increase in notes and accounts payable: -¥19.0 billion
 Income taxes paid: -¥11.0 billion

✓ Cash used in investing activities: ¥12.2 billion
 [Factors]
 Payments for purchase of property, plant and equipment: -¥6.8 billion
 Payments for purchase of investments in securities: -¥5.9 billion

✓ Cash provided by financing activities: ¥32.3 billion
 [Factors]
 Payments for purchase of treasury stock: -¥19.2 billion
 Payments of cash dividends: -¥8.8 billion
 Proceeds from convertible-bond-type bonds with stock acquisition rights: +¥61.0 billion

Orders and Sales by Destination (April 1, 2023 – September 30, 2023)

(Billion yen)

Region	Orders					Sales				
	FY2022 H1		FY2023 H1		Y/Y change	FY2022 H1		FY2023 H1		Y/Y change
	Orders	Composition	Orders	Composition		Sales	Composition	Sales	Composition	
Japan	127.7	32.0%	84.9	28.8%	-42.8	97.0	35.0%	90.6	32.4%	-6.3
Non-Japan	272.3	68.0%	209.3	71.2%	-62.9	180.0	65.0%	189.4	67.6%	+9.3
North America	88.9	22.2%	100.7	34.2%	+11.7	71.6	25.8%	88.9	31.8%	+17.3
Asia	162.0	40.5%	91.8	31.2%	-70.2	91.7	33.2%	78.2	27.9%	-13.5
China	46.8	11.7%	61.8	21.0%	+14.9	27.8	10.1%	32.3	11.5%	+4.4
South Korea	41.5	10.4%	13.8	4.7%	-27.7	26.5	9.6%	15.9	5.7%	-10.5
Taiwan	53.4	13.4%	2.3	0.8%	-51.0	27.4	9.9%	16.1	5.8%	-11.2
Other	20.1	5.0%	13.8	4.7%	-6.3	9.8	3.6%	13.6	4.9%	+3.8
Europe	9.3	2.3%	11.4	3.9%	+2.0	7.9	2.9%	8.8	3.1%	+0.8
Latin America	4.4	1.1%	3.7	1.3%	-0.6	1.9	0.7%	5.5	2.0%	+3.5
Other	7.5	1.9%	1.6	0.6%	-5.9	6.8	2.4%	7.9	2.8%	+1.0
Subtotal	–	–	–	–	–	277.1	100.0%	280.1	100.0%	+3.0
Consolidated adjustment and other	–	–	–	–	–	0.6	–	1.1	–	+0.4
Total	400.1	100.0%	294.3	100.0%	-105.8	277.7	–	281.2	–	+3.4

✓ Japan: Orders for intralogistics systems and cleanroom systems declined from the strong results recorded in the same period of the previous fiscal year.

✓ Asia: Orders fell significantly from the year-ago results, which were bolstered by brisk investment from semiconductor manufacturers.

Orders and Sales by Industry (April 1, 2023 – September 30, 2023)

(Billion yen)

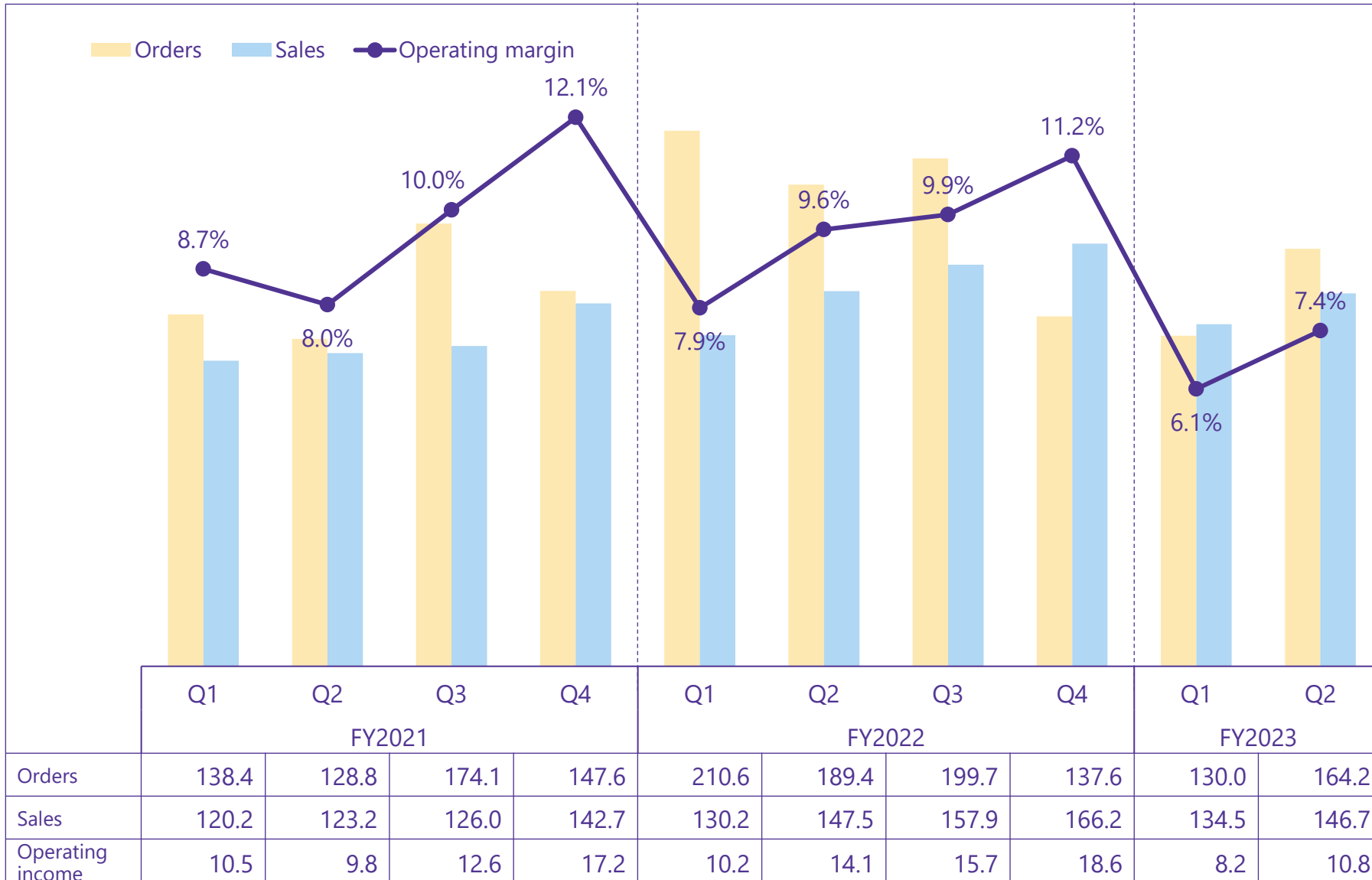
Industry	Orders					Sales				
	FY2022 H1		FY2023 H1		Y/Y change	FY2022 H1		FY2023 H1		Y/Y change
	Orders	Composition	Orders	Composition		Sales	Composition	Sales	Composition	
Automobile, auto parts	40.4	10.1%	38.5	13.1%	-1.9	26.2	9.5%	35.2	12.6%	+9.0
Electronics	185.6	46.4%	98.8	33.6%	-86.8	95.8	34.6%	93.4	33.4%	-2.3
Commerce, retail	84.5	21.1%	49.4	16.8%	-35.1	82.0	29.6%	72.3	25.8%	-9.7
Transportation, warehousing	11.7	2.9%	13.2	4.5%	+1.5	16.0	5.8%	9.7	3.5%	-6.2
Machinery	6.4	1.6%	5.3	1.8%	-1.1	6.0	2.2%	4.5	1.6%	-1.4
Chemicals, pharmaceuticals	20.4	5.1%	14.7	5.0%	-5.6	9.9	3.6%	12.0	4.3%	+2.1
Food	6.8	1.7%	30.9	10.5%	+24.1	6.4	2.3%	7.5	2.7%	+1.0
Iron, steel, nonferrous metals	2.5	0.6%	3.5	1.2%	+0.9	1.9	0.7%	2.7	1.0%	+0.8
Precision equipment, printing, office equipment	4.4	1.1%	1.8	0.6%	-2.5	2.7	1.0%	1.9	0.7%	-0.7
Airport	30.4	7.6%	25.8	8.8%	-4.6	20.4	7.4%	30.3	10.8%	+9.8
Other	6.4	1.8%	11.8	4.1%	+5.3	9.1	3.3%	9.9	3.6%	+0.8
Subtotal	–	–	–	–	–	277.1	100.0%	280.1	100.0%	+3.0
Consolidated adjustment and other	–	–	–	–	–	0.6	–	1.1	–	+0.4
Total	400.1	100.0%	294.3	100.0%	-105.8	277.7	–	281.2	–	+3.4

✓ Electronics:
Orders declined significantly, given a reactionary fall in cleanroom systems, which were the orders received ahead of schedule in the previous fiscal year.

✓ Commerce, retail:
Orders for intralogistics systems declined from the strong results recorded in the same period of the previous fiscal year.

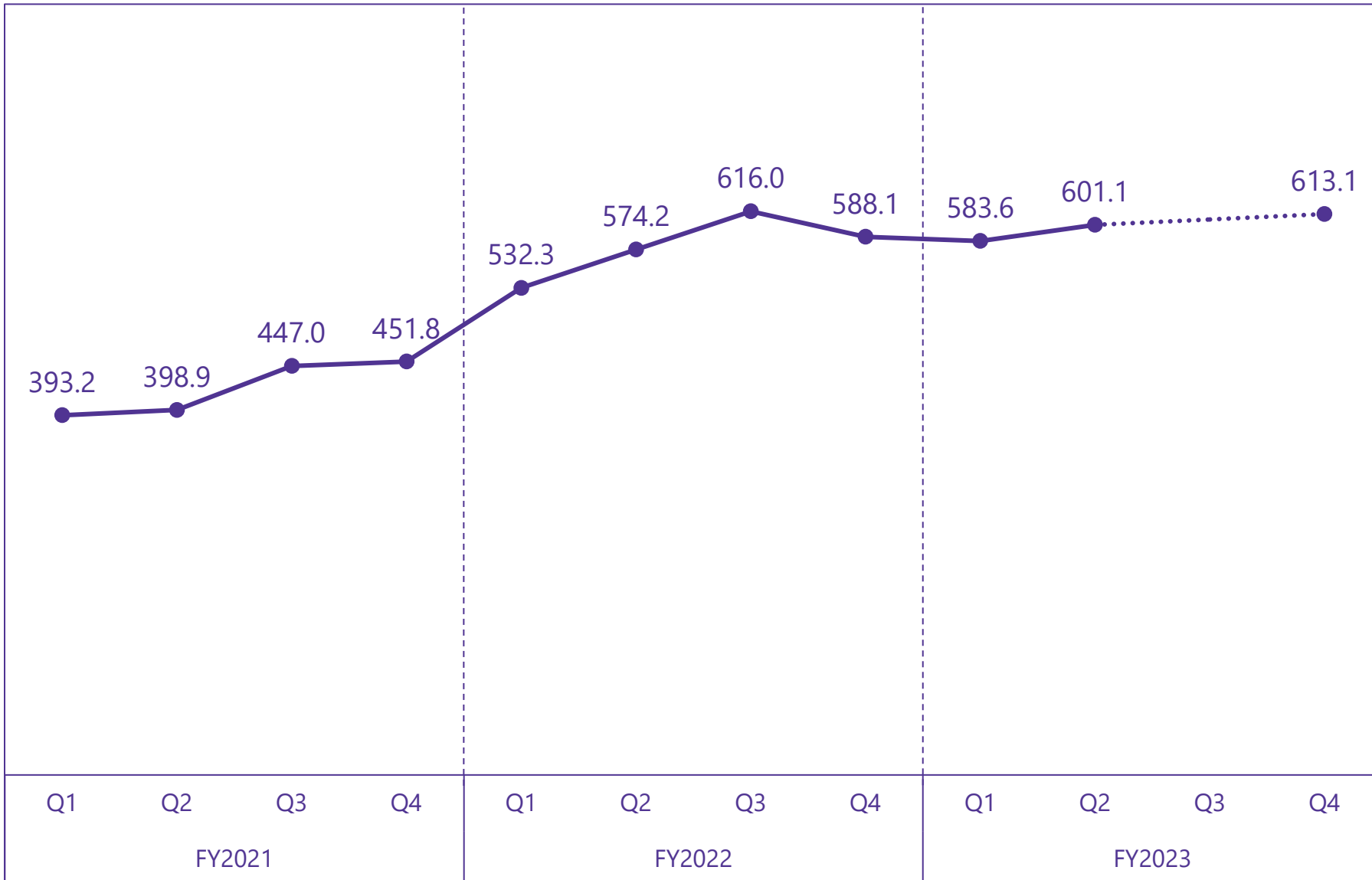
Quarterly Orders, Sales, and Operating Margin

(Billion yen)

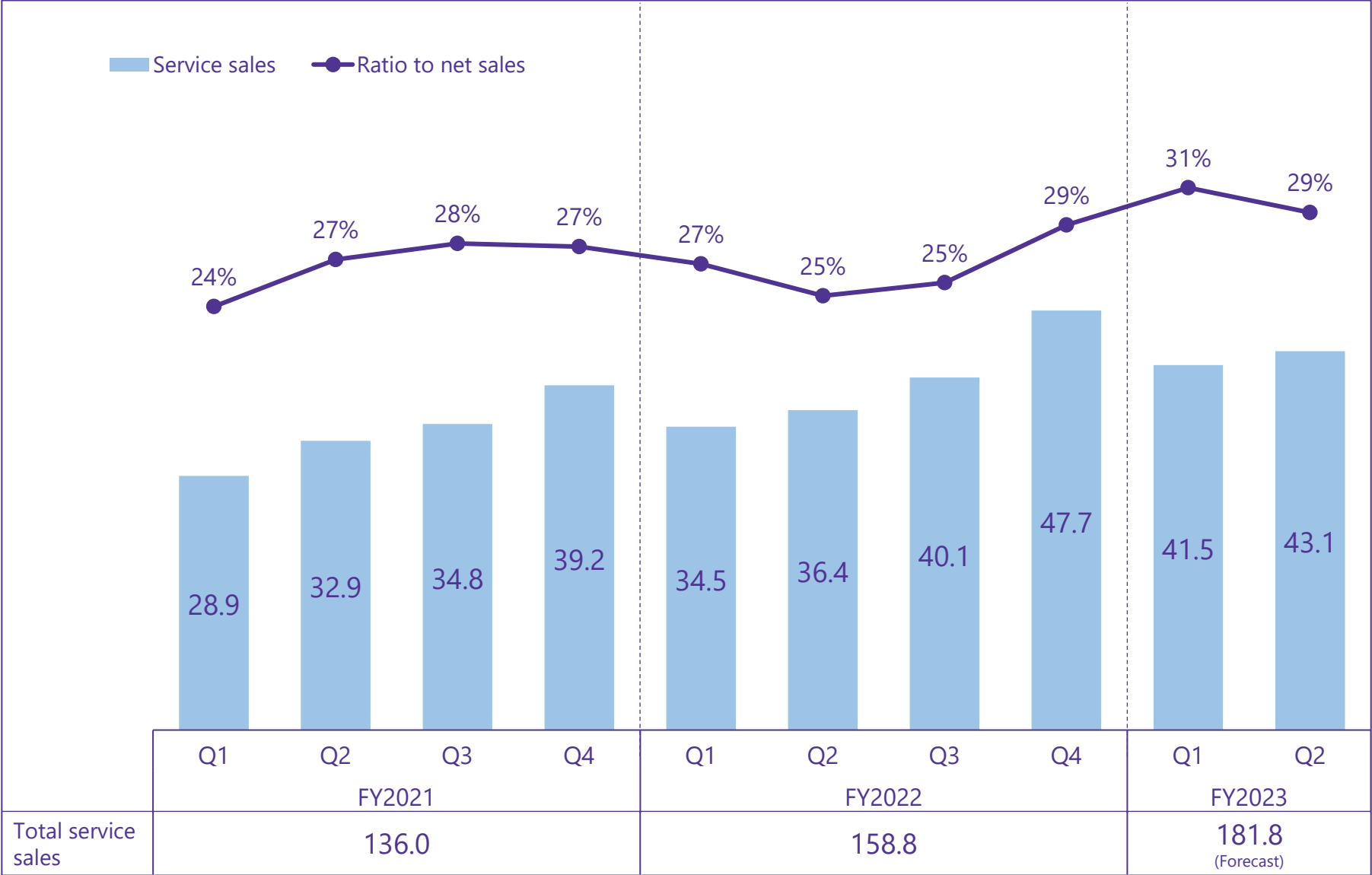


Order Backlogs

(Billion yen)



(Billion yen)



Orders by Industry

DAIFUKU
13

(Billion yen)

Industry	FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2 (a)	Q3	Q4	Q1	Q2 (b)	Composition	Y/Y change (b-a)
Automobile, auto parts	15.3	17.0	13.0	12.0	18.0	22.4	23.5	25.7	19.5	19.0	11.6%	-3.3
Electronics	44.9	41.6	75.3	71.5	98.4	87.2	54.2	31.4	40.6	58.2	35.4%	-29.0
Commerce, retail	40.1	43.5	47.3	25.9	50.3	34.1	79.3	24.0	22.2	27.1	16.5%	-7.0
Transportation, warehousing	12.5	4.2	8.7	5.0	5.4	6.2	6.5	10.5	6.8	6.3	3.9%	+0.0
Machinery	1.5	3.9	0.8	1.6	4.2	2.2	1.8	3.2	2.3	2.9	1.8%	+0.7
Chemicals, pharmaceuticals	4.3	5.8	5.3	6.6	11.4	8.9	5.6	6.9	8.0	6.7	4.1%	-2.2
Food	4.8	2.2	2.1	7.0	3.1	3.6	6.6	3.8	6.8	24.1	14.7%	+20.5
Iron, steel, nonferrous metals	1.6	0.9	0.9	1.6	1.5	0.9	1.1	1.7	2.2	1.3	0.8%	+0.3
Precision equipment, printing, office equipment	1.1	1.7	1.2	1.3	2.4	1.9	0.7	0.8	0.9	0.9	0.5%	-1.0
Airport	7.7	1.7	16.0	7.6	10.9	19.5	11.3	20.4	13.5	12.2	7.5%	-7.2
Other	3.9	5.8	3.2	7.0	4.5	1.8	8.6	8.6	6.7	5.0	3.2%	+3.1
Total	138.4	128.8	174.1	147.6	210.6	189.4	199.7	137.6	130.0	164.2	100.0%	-25.1

Sales by Industry

DAIFUKU
14

(Billion yen)

Industry	FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2 (a)	Q3	Q4	Q1	Q2 (b)	Composition	Y/Y change (b-a)
Automobile, auto parts	13.7	13.9	15.0	16.2	11.5	14.7	17.5	21.6	16.1	19.1	13.2%	+4.3
Electronics	40.0	31.9	35.7	43.6	43.2	52.6	63.4	56.4	44.9	48.5	33.4%	-4.1
Commerce, retail	37.2	40.9	34.1	42.7	41.6	40.4	38.7	40.0	36.2	36.0	24.8%	-4.4
Transportation, warehousing	6.0	7.8	9.0	9.9	8.2	7.7	6.6	7.7	4.8	4.9	3.4%	-2.8
Machinery	2.0	2.4	3.1	3.8	2.9	3.0	2.1	2.1	2.0	2.5	1.8%	-0.5
Chemicals, pharmaceuticals	3.9	3.8	4.0	5.8	4.2	5.7	6.0	8.6	6.1	5.9	4.1%	+0.1
Food	3.0	6.5	4.7	5.7	3.1	3.3	4.2	5.0	2.8	4.6	3.2%	+1.3
Iron, steel, nonferrous metals	0.5	0.9	0.8	1.2	0.7	1.1	1.4	1.4	1.2	1.4	1.0%	+0.2
Precision equipment, printing, office equipment	1.5	1.4	1.4	1.7	1.1	1.6	1.5	2.1	1.1	0.8	0.6%	-0.7
Airport	9.5	9.9	14.2	10.0	9.1	11.3	12.4	13.2	14.2	16.0	11.1%	+4.7
Other	2.8	3.3	4.0	3.3	4.3	4.8	4.2	5.7	4.9	5.0	3.4%	+0.1
Subtotal	120.7	123.2	126.3	144.4	130.3	146.7	158.4	164.2	134.9	145.1	100.0%	-1.6
Consolidated adjustment and other	-0.5	-0.0	-0.3	-1.6	-0.1	0.7	-0.5	1.9	-0.4	1.5	—	+0.7
Total	120.2	123.2	126.0	142.7	130.2	147.5	157.9	166.2	134.5	146.7	—	-0.8

[Back to contents](#)

Earnings Forecast



Fiscal 2023 Forecast (Consolidated)

DAIFUKU
16

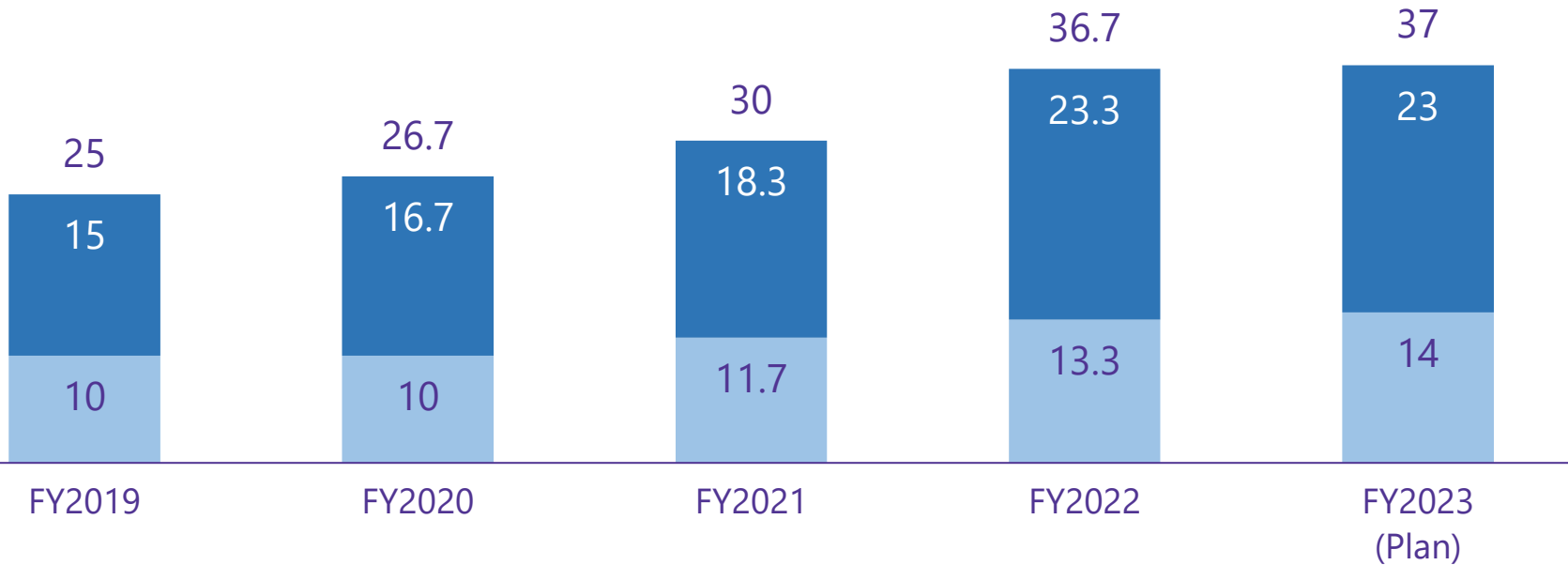
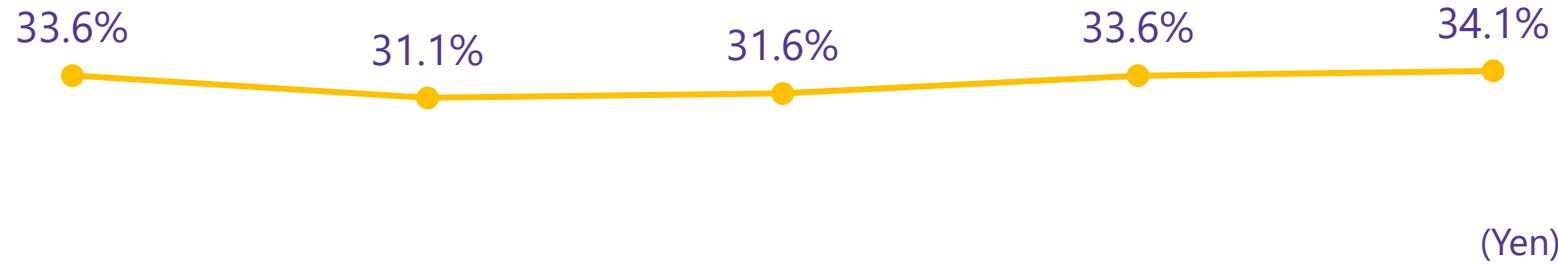
(Billion yen)

	FY2022 (a)	FY2023 forecast					
		Announced on May 12, 2023	Announced on August 8, 2023 (b)	Announced on November 8, 2023		Y/Y change (c-a)	Y/Y rate ((c-a)/a)
				(c)	Change (c-b)		
Orders	737.4	630.0	630.0	630.0	—	-107.4	-14.6%
Net sales	601.9	605.0	605.0	605.0	—	+3.0	+0.5%
Operating income	58.8	54.5	54.5	54.5	—	-4.3	-7.4%
Operating margin	9.8%	9.0%	9.0%	9.0%	—	-0.8 pts.	—
Ordinary income	59.7	55.5	55.5	55.5	—	-4.2	-7.1%
Net income attributable to shareholders of the parent company	41.2	40.5	40.5	40.5	—	-0.7	-1.8%
Net income per share*	109.11 yen	107.13 yen	107.13 yen	108.36 yen	+1.23 yen	-0.75 yen	—

Net income per share in the earnings forecast for the ending March 2024 announced on November 8 is calculated taking into account 7,439,800 shares of treasury stock, the repurchase of which was completed on October 5, 2023.

*The Company conducted a three-for-one split of its common stock effective April 1, 2023. Net income per share is calculated assuming that the stock split was conducted at the beginning of the fiscal year ended March 2023.

■ Interim ■ Year-end ● Consolidated payout ratio



Dividends for the year ended March 2023 and earlier periods are calculated retroactively from the stock split (a three-for-one split of the Company's common stock effective April 1, 2023).

[Back to contents](#)

Topics



In September 2023, Daifuku issued zero coupon convertible bonds due 2028 and zero coupon convertible bonds due 2030 (the "Bonds") with stock acquisition rights. The net proceeds from the issuing of the Bonds are estimated to be 60 billion yen, and are expected to be used primarily as follows:

Capital investment: 40 billion yen

- 33 billion yen to maintain, upgrade, and enhance production facilities mainly for intralogistics systems and cleanroom systems within Shiga Works
- 7 billion yen to upgrade production facilities for intralogistics systems at manufacturing plants in the United States and India

Repurchase of the Company's shares: 20 billion yen

- To improve capital efficiency and increase the value per share by reducing the number of shares in issue
- To smoothly carry out fundraising by mitigating the short-term impact on demand and supply for the Company's shares accompanied by the issuance of the Bonds.

Shiga Works (Japan)



Panoramic view of current Works

Scheduled completion: 2028
Site area: 1.2 million sq.m
Building area: 214,000 sq.m

Wynright Corporation (U.S.A.)



Construct a plant of the same size as the current plant on the same site

Scheduled completion: 2024
Site area: 179,000 sq.m
Building area: 25,000 sq.m

Daifuku Intralogistics India Private Limited (India)



Construct a new plant on a different site from that of the plant currently in operation (photo)

Scheduled completion: 2024
Site area: 131,000 sq.m
Building area: 19,000 sq.m

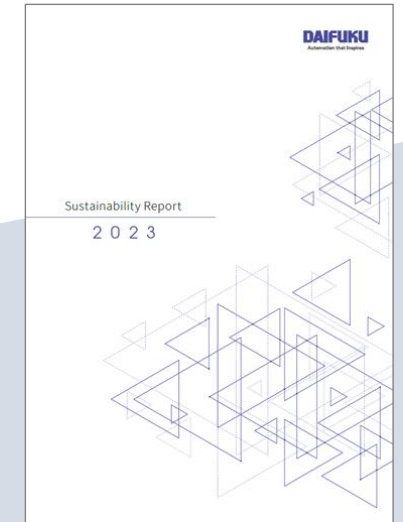
Daifuku Report 2023



In August 2023, we published the Daifuku Report 2023 as integrated reporting. This report focuses on our efforts to “ensure the continued global growth of the Daifuku Group” and our aspirations for the future.

English: www.daifuku.com/ir/library/annualreport
Japanese: www.daifuku.com/jp/ir/library/annualreport

Sustainability Report 2023



In September 2023, we published our Sustainability Report 2023. This report is a PDF version of our website disclosures on sustainability.

English: www.daifuku.com/sustainability/report
Japanese: www.daifuku.com/jp/sustainability/report



Cautionary Statement with Respect to Forward-Looking Statements

The strategies, beliefs and plans related to future business performance as described in this document are not established facts. They are business prospects based on the assumptions and beliefs of the management team judging from the most current information, and therefore, these prospects are subject to potential risks and uncertainties. Due to various crucial factors, actual results may differ materially from these forward-looking statements. These crucial factors that may adversely affect performance include 1) consumer trends and economic conditions in the Daifuku Group's operating environment; 2) the effect of yen exchange rates on sales, assets and liabilities denominated in U.S. dollars and other currencies; 3) the tightening of laws and regulations regarding safety and other matters that may lead to higher costs or sales restrictions; and 4) the impact of natural disasters and intentional threats, war, acts of terrorism, strikes, and plagues. Moreover, there are other factors that may adversely affect the Group's performance.